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# MARKETING GUIDE

FOR

# TURKEYS

U.S. DEPARTMENT OF AGRICULTURE/AGRICULTURAL MARKETING SERVICE  
PA-651 / WASHINGTON, D.C.

1965  
MARKETING GUIDE FOR TURKEYS

FOREWORD

The marketing guides program of the U. S. Department of Agriculture is a kind of business advisory service for growers. In past years the service has been limited to acreage guides for vegetable growers. This turkey marketing guide is an expansion of this service and is in response to a formal request to the U. S. Department of Agriculture for such service by the National Turkey Federation.

Marketing guides are prepared by specialists in the U. S. Department of Agriculture who appraise production and marketing trends for the respective commodities. These guides are designed to help producers and marketers tie their production and marketing plans into the market prospects for their commodities. The intent is to aid them in developing realistic production and marketing schedules to adequately supply established commercial outlets at reasonable prices to producers.

The 1965 marketing guide for turkeys is presented in terms of the number of turkeys to be raised and in terms of percentage change from the number raised in 1964. Information is also given on the number and percentage change in breeder hens needed to supply the poults for such production. Producers of breeder hens and market turkeys can apply these percentages to their operations to obtain their individual guides.

January 1965

## MARKETING GUIDE FOR 1965

The marketing guide for turkeys for 1965 has been developed from estimates of the production and price levels that are in prospect.

"Turkey producers in 1965 are likely to raise more birds than the 98.7 million total expected for this year (1964)." This statement and those to follow in this paragraph are from the 1965 outlook issue of the U. S. Department of Agriculture's Poultry and Egg Situation (PES-234). This statement was premised on producer returns for 1964 associated with an average producer price of 21 to 22 cents per pound. An increase in the 1965 crop of "... 5 percent or more" was anticipated. "If turkey producers in 1965 raise as many as 5 percent more birds," the outlook statement continued, "U.S. farm turkey prices probably will average below ..." the average price for 1964.

In view of these prospects, it is suggested as a marketing guide for turkeys in 1965 that production not exceed 97 million head, which is 2 percent less than 1964 production.

A reduction of two percent (about 2 million birds) below 1964 would reduce per capita supplies of turkey  $3\frac{1}{2}$  percent. Based on normal relationships between supply and price, such a supply could be expected to result in average producer prices about one cent a pound above 1964 levels. On the other hand, the increase in production forecast by USDA of 5 percent (about 5 million birds) would increase per capita supplies about  $3\frac{1}{2}$  percent and probably would result in average producer prices at least a cent a pound below 1964 levels.

The suggested crop size for 1965 would require a hatchery supply flock on January 1, 1965, of no more than 3.8 million birds, or about the same flock as on this date in 1964, and assumes an output per breeder about 2 percent below the very favorable output in 1964.

The turkey industry has ample opportunity prior to mid-year to bring the size of the 1965 crop into line with anticipated trade needs. The number of breeders which industry men test can be aligned to the suggested guide for breeders. Market bird producers can also relate their actions to the percentage of their 1964 production. Action taken individually by hatching egg and market bird producers will determine the ultimate outcome of the 1965 crop.

The basic objectives of this marketing guide for turkeys are (1) to avoid over-production in 1965; (2) provide adequate supplies for consumers yet result in reasonable prices to producers; and (3) not disrupt orderly marketings.

## HISTORICAL REVIEW

### Turkey Supplies, Disappearance and Farm Price Relationships:

In recent years the supply and disappearance of turkeys have been trending upward, both in total pounds and per capita. Producer prices have been trending downward. Total per capita disappearance in 1964 including exports and use by the military was 7.7 pounds, up 24 percent from the 1957-59 average and 8 percent above 1963's 7.1 pounds. Producer prices in 1964 averaged 21.3 cents per pound. This price was 11 percent below the 1957-59 average and 5 percent below the 22.3 cent price recorded in 1963. Annual average per capita domestic civilian use of whole carcass and cut-up turkeys excluding USDA purchases amounted to 5.6 pounds in 1957-59 compared with



5.8 in 1964, practically no change. The increased per capita use of turkey meat has largely been in (1) further processed convenience foods; (2) USDA purchases; and (3) exports.

Per capita supplies (production plus beginning commercial stocks) in 1964 were 22 percent above the 1957-59 average and 6 percent above the preceding year. See table 1 for data on supply, disappearance and farm prices.

#### Turkeys Raised Per Breeder Hen:

The number of turkeys raised per breeder in a given year varies within wide limits depending on economic, biological, and weather factors. The economic factors, of which the demand and supply for poults are the most important, are usually more important in determining the year-to-year output per breeder than are the biological and weather factors.

A change from one year to the next in the number of heavy breed turkeys raised per breeder, such as the 1.8 head increase in 1964 over 1963, can change the total number of heavy breed turkeys raised by over 6 million head, or a change of about 7 percent. Because such sharp yearly changes do occur (and not entirely by design), the indicated guide of 3.8 million breeder hens on hand January 1, 1965 should be considered only as a general guide. Adjustments during the year are also important.

#### Inventory of Breeders:

The estimate of the number of breeder hens on hand January 1, 1965 will not be available until mid-February. Statistics available prior to January 1, however, have permitted a reasonably reliable appraisal of the probable number of breeders on hand on that date.

The number of turkeys tested for pullorum by official state agencies during July-November has, over the years, accurately indicated the direction of the year-to-year change in the January 1 inventory. The degree of change indicated has usually been within about 4 percent of the subsequent estimate of the number of breeders on hand. Year-to-year percentage changes in testings are generally larger than the comparable percentage changes in breeder numbers. Testings during July-November represent approximately 50 percent of the testings for the year beginning in July.

In early October, before the seasonally heavy testing months, breeder hen producers are asked their intentions to hold breeder hens for the following year's production. The result of this survey is a reasonably reliable indicator of the direction and degree of change in breeder numbers the following January 1. In recent years producers have actually kept a smaller number of breeders than intended.

Breeder hen producers have indicated for January 1965 that they intended to hold 4 percent more birds than a year earlier.

TURKEY BREEDERS - Producers' Intentions  
To Hold and January 1 Inventory

	<u>Intentions</u> % change from year earlier	<u>Inventory</u>
1960	- 4	- 9
1961	+23	+30
1962	- 3	-12
1963	+ 1	0
1964	0	- 2
1965	+ 4	

The monthly inventory of the number of breeder hens on farms can be estimated by adding to the January 1 inventory of breeders the number tested each month and subtracting the number slaughtered in PPIA plants. Refinement could be accomplished by estimating mortality, adjusting for slaughter in plants not under PPIA, and adjusting for breeders not tested. However since all of these factors are relatively unimportant the significant trends are indicated without such refinements.

Table 2 presents significant statistical information on the number of turkeys raised per breeder.

DEMAND FOR TURKEYS IN 1965

Continued economic expansion and population growth in 1965 will increase the domestic demand for turkeys. Per capita supplies of red meats probably will be down slightly in 1965 but this decrease could be about offset by an expected increase in per capita supplies of broilers.

Turkey exports expected in 1965 may slightly exceed the 1964 total of about 40 million pounds. The use of turkey in further processed products is likewise expected to increase further in 1965. The 2.4 million people to be added to the U. S. population in 1965 would, assuming the 1964 rate of consumption, mean a demand for an additional 16 million pounds. The needs of the military are not expected to change significantly.

In recent years changes from one year to the next in per capita disappearance of whole carcass and cut-up turkeys have resulted in similar relative changes in the opposite direction in producer prices. Since this general relationship is expected to continue in 1965 and increased demands for exports and further processing are not expected to equal the volume purchased by USDA in 1964, the 2 percent reduction in the 1965 crop of turkeys named as a guide is suggested. This would provide adequate supplies to satisfy commercial needs without depressing producer prices.

Table 1.--TURKEYS: SUPPLY, DISAPPEARANCE AND U.S. AVERAGE FARM PRICE

By Years 1960-64 and 1957-59 and 1962-64 Averages

	Average 1957-59	1960	1961	1962	1963	1964	Average 1/ 1962-64
	----- Mil. Lbs. Ready-to-Cook -----						
Beginning Storage Stocks	167	149	160	263	203	217	228
Production	1,065	1,162	1,506	1,304	1,341	1,440	1,362
Total Supply	1,232	1,311	1,666	1,567	1,544	1,657	1,590
Ending Storage Stocks	163	160	263	203	217	200	207
Disappearance: Domestic & Export	1,069	1,151	1,403	1,364	1,327	1,457	1,383
Exports	6	24	28	37	31	40	36
Military	31	31	29	34	40	40	38
USDA	15	19	60	43	44	61	49
Domestic Civilian	1,017	1,077	1,286	1,250	1,212	1,316	1,260
Further Processing 2/	63 1/	81 1/	105	148	191	212	184
Whole Carcass & Cut-up	954	996	1,181	1,102	1,021	1,104	1,076
	----- Pounds Per Capita -----						
Total Supply	7.2	7.4	9.2	8.5	8.3	8.8	8.5
Disappearance: Domestic & Export	6.2	6.5	7.7	7.4	7.1	7.7	7.4
Domestic Civilian	6.0	6.2	7.4	7.0	6.7	7.2	7.0
Whole Carcass & Cut-up	5.6	5.6	6.5	6.0	5.5	5.8	5.8
U.S. Average farm price (¢/lb.)	23.7	25.4	18.9	21.6	22.3	21.3	21.7

1/ Partially estimated.

2/ Processed in plants under USDA supervision.



Table 2.--TURKEYS: BASIS FOR DETERMINING NUMBER RAISED PER BREEDER

By Years 1960-64 and 1957-59 and 1962-64 Averages

	<u>Unit</u>	<u>Average</u> <u>1957-59</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>Average</u> <u>1962-64</u>
Heavy Breeds:								
Breeders January 1	Thus.	3,023	2,904	3,889	3,546	3,474	3,386	3,469
Raised	"	67,984	74,375	95,400	83,335	83,702	87,658	84,898
Raised per Breeder	No.	22.5	25.6	24.5	23.5	24.1	25.9	24.5
Light Breeds:								
Breeders January 1	Thus.	511	423	453	320	378	395	364
Raised	"	13,846	10,349	12,731	9,030	9,668	11,043	9,914
Raised per Breeder	No.	27.1	24.5	28.1	28.2	25.6	28.0	27.2
All Breeds:								
Breeders January 1	Thus.	3,534	3,327	4,342	3,866	3,852	3,781	3,833
Raised	"	81,830	84,724	108,131	92,365	93,370	98,701	94,812
Raised per Breeder	No.	23.2	25.5	24.9	23.9	24.2	26.1	24.7

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